

PROCLAMATION

BY THE

Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Senate Bill No. 1, the General Appropriations Act, having been duly certified by the Comptroller of Public Accounts pursuant to Article III, Section 49a of the Texas Constitution, has been presented to me for action. The bill would appropriate an estimated \$139.4 billion from all fund sources, including \$65.6 billion from the General Revenue Fund for the fiscal biennium beginning September 1, 2005. General revenue spending would increase by \$5.9 billion or 9.8% compared to the current biennium.

As I discussed in my State of the State address in January, Texans have a right to an unambiguous and understandable state budget that shows how tax dollars are spent. Senate Bill No. 1 continues the recent practice of combining numerous programs into enormous line items of appropriation that allow too much discretion in the use of public dollars. This practice restricts the ability of a governor to exercise the constitutional authority to line item veto. For instance, hidden in the Parks and Wildlife Department's budget is \$1,000,000 to construct bird watching facilities. Over \$18 billion is appropriated to higher education in lump sums that would require the governor to veto an entire university to reject any provincial, outdated or ill-advised spending item.

I am vetoing the appropriations to the Texas Education Agency because the legislature did not make the best use of resources available for public education. By not passing House Bill No. 2 the legislature failed to make meaningful reforms in education policy, improve student performance, increase accountability, provide better teacher compensation, and did not appropriately fund textbooks and classroom technology. The legislature left an estimated \$2 billion on the table that could have been used for these purposes.

My line item vetoes total \$23.4 billion in general revenue and \$35.3 billion in all funding sources. Totals excluding the Texas Education Agency are \$576.6 million in general revenue and \$1.7 billion in all funds.

I hereby object to and veto the following items from Senate Bill No. 1 and include a statement of my objections to each of those items.

Article I – General Government

Commission on the Arts

C.1.2. Information Resources

	<u>2006</u>	<u>2007</u>
	\$314,252	\$217,151

This veto deletes an appropriation for information resources. The agency should maintain its computer technology within current funding.

5. Unexpended Balances within the Biennium. ~~Any unexpended balances in appropriations made to Strategy A.1.2, Arts Education Grants, remaining as of August 31, 2006, are hereby appropriated to the Commission on the Arts for the fiscal year beginning September 1, 2006, for the same purpose.~~

This veto deletes the ability to carry grant fund balances from year to year. The agency should award and make grants in the year funds are appropriated.

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<u>Trusted Programs within the Office of the Governor</u>	<u>2006</u>	<u>2007</u>
A.1.1 Agency Grant Assistance	\$6,879,264	UB

This veto deletes the Governor's Emergency and Deficiency Grants, 94 percent of which were transferred by rider to another agency to fund ongoing operations substantially limiting the purpose of an appropriation to handle one-time short falls or unanticipated expenses.

24. Contingency Appropriation for Senate Bill 1096. ~~Contingent upon the enactment of Senate Bill 1096, or similar legislation by the Seventy-ninth Legislature, Regular Session, 2005, all amounts transferred from the Employment and Training Investment Holding Fund to the General Revenue Dedicated Texas Enterprise Fund Account No. 5107, not to exceed \$130,000,000, are hereby appropriated out of the General Revenue Dedicated Texas Enterprise Fund Account No. 5107 to the Trusted Programs Within the Office of the Governor Strategy A.1.8, Texas Enterprise Fund for the purposes of economic development initiatives in accordance with Government Code § 481.078.~~

This veto deletes a contingent rider for a bill that did not pass. Article IX Section 14.17 repeals this rider.

27. Contingency Appropriation for Senate Bill 1100. ~~Contingent upon the enactment of Senate Bill 1100, or similar legislation, related to the promotion of tourism relating to the musical heritage of this state, it is the intent of the Legislature that \$10 million in federal Transportation Enhancement Program funds administered by the Texas Department of Transportation be made available during the biennium for whichever entity is designated as the official Texas museum of music history by the Trusted Programs Within the Office of the Governor, provided that such entity meets federal grants requirements of the federal Transportation Enhancement Program as defined by the federal regulation of the U.S. Department of Transportation, Federal Highway Administration, under Title 23 of the United States Code. The Texas Department of Transportation will review the Texas museum of music history project to determine if the project meets the federal Transportation Enhancement Program guidelines in Title 23 of the United States Code. It is the intent of the Legislature that funds appropriated above would cover allowed costs of administering the Texas museum of music history project approved for federal Transportation Enhancement Program funds.~~

~~In addition, the Texas Department of Transportation may redirect obligated funds previously obligated for the Texas museum of music history under the Transportation Enhancement Program to other available projects should the project fail to receive federal approval or federal Transportation Enhancement Program funds are not available due to changes in federal laws, rules, regulations, or appropriations.~~

This veto deletes a contingent rider for a bill that did not pass.

Article II – Health and Human Services

Department of Aging and Disability Services

51. Contingent Appropriations for Nursing Facilities and Hospice Payments.

~~Appropriations made above from nursing facility quality assurance fee (QAF) revenues are contingent upon the enactment of authorizing legislation and federal approval of necessary waiver requests and state plan amendments required to comply with federal regulations under 42 C.F.R. Section 433.68(e). It is the intent of the Legislature that appropriations from this source be used to enhance the quality of care provided to nursing home residents, improve payment rates to providers and finance the transition to a more effective reimbursement methodology. Appropriations made above include the amounts necessary to fund the following specific purposes: 1) the Medicaid rate increase required~~

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~~to reimburse providers for the QAF associated with Medicaid units of service (\$132,346,268 GR Dedicated, Estimated and \$207,700,669 in Federal Funds); 2) increased costs resulting from increased resident acuity (\$14,733,470 GR Dedicated, Estimated and \$23,310,378 in Federal Funds); 3) restoration of rates to FY 2003 levels (\$30,764,589 GR Dedicated, Estimated and 48,280,878 in Federal Funds); 4) provider rate payments (\$166,100,000 GR Dedicated, Estimated and \$260,671,752 in Federal Funds); and 5) costs associated with a rate reimbursement methodology for Nursing Facilities based upon a Resource Utilization Groups Resident Classification System—RUGS III (\$3,300,000 GR Dedicated, Estimated and \$3,300,000 in Federal Funds).~~

This veto deletes a contingent appropriation for a new requirement that did not pass. Additionally, the proposed quality assurance fee would have unfairly penalized nursing facilities that do not have Medicaid clients by imposing a tax on those facilities for which the residents would receive absolutely no benefit. Future increases in nursing home appropriations should be funded with general revenue.

Department of Assistive and Rehabilitative Services

~~31. Contingency for House Bill 2. Contingent upon enactment of House Bill 2 or similar legislation relating to public education and public school finance matters, by the Seventy-ninth Legislature, Regular Session, \$1,657,877 in fiscal year 2006 and \$3,267,736 in fiscal year 2007 shall be set aside from the special education allotment out of funds appropriated to the Texas Education Agency, and transferred to the Department of Assistive and Rehabilitative Services via interagency contract for the purpose of providing transition services to students with disabilities through the Vocational Rehabilitation program. These funds shall be classified as Interagency Contracts—Transfer from Foundation School Fund No. 193. The matching Vocational Rehabilitation Federal Funds are estimated to be \$6,125,524 in fiscal year 2006 and \$12,073,631 in fiscal year 2007.~~

~~Funds shall be transferred by October 1 of each fiscal year. In addition to the TEA special education funds, it is the intent of the legislature that VR federal funds be used to fund this program in the amount of \$1,657,877 in fiscal year 2006 and \$3,267,736 in fiscal year 2007.~~

~~Prior to expenditure of other funds received through interagency contract with the Texas Education Agency DARS shall report in writing to the Legislative Budget Board and the Governor the amount of state and federal funds the agency will allocate to transition services in Strategies B.1.3 and B.3.1 in each fiscal year of the biennium. The report shall include the number of students with disabilities expected to be served, services to be provided with the funds, and any other details of the transition services requested by the Legislative Budget Board or the Governor.~~

~~Contingent upon enactment of House Bill 2 or similar legislation, DARS is required to enter into a Memorandum of Understanding (MOU) with the Texas Education Agency for the purpose of providing transition services to students with disabilities through the Vocational Rehabilitation program. The MOU may include provisions the agencies deem necessary. DARS shall provide a signed copy of the MOU to the Legislative Budget Board and the Governor, no later than September 1, 2005 and September 1, 2006.~~

~~DARS shall submit quarterly reports to the Legislative Budget Board and the Governor that provide information about the number of students with disabilities served in Strategies B.1.3 and B.3.1 and details of funded services. The format of the reports and details of information included shall be specified by the Legislative Budget Board.~~

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~~Performance measure targets will be adjusted upon enactment of House Bill 2 for Strategy B.1.3 (Number of Consumers Served) and Strategy B.3.1 (Number of Consumers Served) to reflect the contingency appropriation.~~

This veto deletes a contingent rider for a bill that did not pass.

<u>Health and Human Services Commission</u>	<u>2006</u>	<u>2007</u>
B.2.3. Medicare Federal Give Back	\$154,004,346	\$290,251,488

This veto deletes both years of the appropriation to fund the state's contribution to the new Medicare Part D benefit for recipients eligible for Medicaid and Medicare services (i.e., dual eligibles). I strongly support the federal assumption of prescription drug costs for dual eligibles. Texas will be a full partner in the success of implementing and ensuring a smooth transition of dual eligible individuals to the new Part D benefit in January 2006. This appropriation is based on a preliminary estimate which may not accurately reflect the final methodology used by the federal government.

I continue to object to the Center for Medicare and Medicaid Services' interpretation of the state payment formula (i.e., clawback) and believe it penalizes states like Texas that have taken innovative steps to provide Medicaid drug benefits, control drug cost increases, and manage overall program costs trends. I am also concerned about new state administrative costs associated with the Medicare benefit and believe the federal government must clarify the federal-state roles and responsibilities in providing eligibility determination. Therefore, it is my intention to seek further changes at the federal level as soon as possible to ensure that the calculation of the clawback amount appropriately recognizes the aggressive efforts by Texas to reduce the rate of growth on prescription drug spending.

Article III – Education

<u>Texas Education Agency</u>	<u>2006</u>	<u>2007</u>
All items of appropriation	\$17,061,030,543	\$16,705,509,503

Contingency appropriation, Rider 94	(145,000,000)
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This veto eliminates all appropriations for the Texas Education Agency including contingency appropriation rider 94. Textbook funding provided by HB 10 is not changed by this action.

<u>Higher Education Coordinating Board</u>	<u>2006</u>	<u>2007</u>
B.1.10. Strategy: OAG Lawyers Loan Repayment	\$486,556	\$75,000

This veto is intended to reduce tuition costs for law students at Texas public law schools. The Office of the Attorney General Lawyers Loan Repayment program requires law students in Texas public law schools to pay an additional one percent tuition charge in order to fund the repayment of loans for attorneys in the Office of the Attorney General. There is no limitation that the funds from the Texas public law students be used only for students educated in Texas public law schools. This results in Texas public law students potentially paying for the education loans of students from private and out of state institutions. This statutory financial aid program should be eliminated, and the tuition set aside ended in order to lower the cost of earning a legal degree for all public law school students and to recognize that lawyers in the Office of the Attorney General received a seventeen and a half percent pay raise for the coming biennium.

~~41. OAG Lawyer's Loan Repayment Program. The funds provided to the OAG Lawyer's Loan Repayment Program are appropriated in accordance with Education Code §§61.9721-61.9732 for providing education loan repayments for attorneys who agree to~~

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~~work for the Office of Attorney General for one year. All balances in the General Revenue Fund that are dedicated tuition set asides under this program as of August 31, 2005, estimated to be \$411,556, and all receipts received during the biennium are hereby appropriated to the Coordinating Board for the biennium ending August 31, 2007 for the same purpose. Any balances on hand at the end of fiscal year 2006 may be carried over to the fiscal year 2007 and any such funds are appropriated for fiscal year 2007 for the same purpose.~~

This veto deletes a rider for the financial aid program, the funding for which was vetoed.

Article IV – Judiciary

Office of Court Administration, Texas Judicial Council

~~16. Contingency Appropriation for Senate Bill 368. Contingent on passage of Senate Bill 368 or similar legislation by the Seventy-ninth Legislature relating to compensation of state judges, and the Comptroller of Public Accounts issuing a finding of fact certifying additional revenue collections from fees, fines, and court costs during the 2006-07 biennium in Judicial Fund No. 573 that exceed the Comptroller of Public Accounts Biennial Revenue Estimate for these items by at least \$103,550 in fiscal year 2006 and \$24,848 in fiscal year 2007, the Office of Court Administration is appropriated \$103,550 in fiscal year 2006 and \$24,848 in fiscal year 2007 out of the Judicial Fund No. 573 in Strategy A.1.2, Information Technology, for the purpose of implementing live broadcasts of Supreme Court proceedings over the Internet. Any unexpended balances in these funds as of August 31, 2006 are hereby appropriated to the Office of Court Administration for the fiscal year beginning September 1, 2006 for the same purposes.~~

This veto deletes a contingent rider for a judicial salary increase which did not pass in any legislation.

Article V – Public Safety and Criminal Justice

Texas Department of Criminal Justice

	<u>2006</u>	<u>2007</u>
C.1.10 Contracted Temporary Capacity	\$19,850,729	\$43,814,542

This veto deletes the FY 2006 appropriation for contracted temporary capacity at the Texas Department of Criminal Justice (TDCJ). The agency received \$15.9 million in emergency appropriations in House Bill 10, but will not spend all of this funding in 2005. In addition, the appropriation for this purpose in FY 2007 is more than twice the appropriation for 2006. The projected need for contracted beds, combined with the lapsed funding over the next biennium does not support this increase. Since TDCJ has rider authority to move funds between fiscal years if necessary, the agency can use the 2007 appropriation to fund this strategy for the entire biennium. The federal funds included in this strategy would remain available to TDCJ per Article IX, Sec. 8.02.

~~82. Contingency Appropriation for House Bill 1093. Contingent upon the enactment of House Bill 1093 by the Seventy-ninth Legislature, Regular Session, or similar legislation relating to the eligibility of certain inmates of the Texas Department of Criminal Justice for medically recommended intensive supervision, the Texas Department of Criminal Justice's appropriations in Strategy C.1.8, Managed Healthcare, are hereby reduced by \$765,717 for fiscal year 2006 and \$838,017 for fiscal year 2007 from General Revenue Funds.~~

This veto deletes a contingent rider for a bill that did not pass.

Texas Military Facilities Commission

	<u>2006</u>	<u>2007</u>
All items of appropriation	\$7,002,367	\$17,846,113

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This veto eliminates funding for the Texas Military Facilities Commission. The primary function of this agency is to acquire property and manage facilities for the Texas National Guard. At this time of transition, during the federal base realignment and closure process, it has become clear that the uniformed personnel of the Texas National Guard require and deserve the direct control of their facilities' management. This veto is intended to give the Texas National Guard a more direct way to maintain personnel readiness through facilities management.

The duties and functions of this agency will be transferred to another entity by Executive Order.

Article VI – Natural Resources

Railroad Commission

15. Contingency Appropriation: Oil Field Cleanup Account and General Revenue Fee Allocations. Notwithstanding other provisions contained in this Act, contingent upon the passage of legislation by the Seventy-Ninth Legislature modifying the allocation of fee revenues from oil and gas operators deposited to the credit of the General Revenue Fund and the Oil Field Cleanup Account No. 145, appropriations to the Railroad Commission are hereby modified as follows:

(1) Appropriations out of the General Revenue Fund are hereby increased by \$3,429,891 in fiscal year 2006 and by \$2,808,050 in fiscal year 2007 in new fee revenues generated from the passage of legislation by the Seventy-Ninth Legislature, 2005, increasing revenues to the General Revenue Fund from fee increases assessed to oil field operators and in new fee revenues contingent upon the Railroad Commission increasing fees assessed for the Pipeline Safety, Rail Safety, and Surface Mining programs. This appropriation shall be transferred to the appropriate strategies listed above.

(2) Appropriations out of the Oil Field Cleanup Account No. 145 are hereby increased by \$352,907 in fiscal year 2006 and by \$329,672 in fiscal year 2007. This appropriation shall be transferred to the appropriate strategies listed above.

(3) Appropriations out of Earned Federal Funds are hereby increased by \$6,681 in fiscal year 2006 and by \$6,241 in fiscal year 2007. This appropriation shall be transferred to the appropriate strategies listed above.

(4) Appropriations out of the Alternative Fuels Research and Education Account No. 101 are hereby increased by \$151,255 in fiscal year 2006 and by \$148,379 in fiscal year 2007. This appropriation shall be transferred to the appropriate strategies listed above.

(5) Appropriations out of Federal Funds are hereby increased by \$57,453 in fiscal year 2006 and by \$44,242 in fiscal year 2007. This appropriation shall be transferred to the appropriate strategies listed above.

(6) Appropriations out of Appropriated Receipts are hereby increased by \$15,584 in fiscal year 2006 and by \$12,000 in fiscal year 2007. This appropriation shall be transferred to the appropriate strategies listed above.

(7) Appropriations out of Interagency Contracts are hereby increased by \$2,268 in fiscal year 2006 and by \$1,747 in fiscal year 2007. This appropriation shall be transferred to the appropriate strategies listed above.

(8) The "Number of Full Time Equivalents (FTE)" indicated herein for the Railroad Commission is hereby increased by 9.5 in each fiscal year of the 2006-07 biennium; and

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~~(9) The Railroad Commission's Capital Budget authority is hereby increased for the following items and in the following amounts:~~

	<u>2006</u>	<u>2007</u>
(a) Oil and Gas Technology Migration	\$747,823	\$747,823
(b) Information Technology Infrastructure Upgrade	\$1,243,235	\$503,831
(c) Replacement Vehicles	\$222,285	\$222,285

~~These appropriations are contingent upon new revenues being created due to the passage of legislation and deposited to the credit of the General Revenue Fund in an amount at least equal to \$3,206,179 in fiscal year 2006 and at least equal to \$2,615,392 in fiscal year 2007; deposited to the credit of the Oil Field Cleanup Account No. 145 in an amount at least equal to \$352,907 in fiscal year 2006 and at least equal to \$329,672 in fiscal year 2007; and deposited to the credit of the Alternative Fuels Research and Education Account No. 101 in an amount at least equal to \$31,174 in each fiscal year of the 2006-07 biennium. The General Revenue appropriations are further contingent upon the Railroad Commission increasing by rule fees sufficient to cover the following increases: for the Pipeline Safety Program, an increase of \$74,764 in fiscal year 2006 and \$74,513 in fiscal year 2007; for the Rail Safety Program, \$85,271 in fiscal year 2006 and \$63,332 in fiscal year 2007; and for the Surface Mining Program, \$58,677 in fiscal year 2006 and \$54,813 in fiscal year 2007. In addition, it is the intent of the Legislature that such revenues cover "Other direct and indirect costs" related to the 9.5 additional FTEs authorized above and appropriated elsewhere in this Act. In the event that actual and/or projected revenue collections are insufficient to offset the costs identified by this provision, the Comptroller of Public Accounts shall reduce the appropriation authority provided above to be within the amount of revenue expected to be available.~~

This veto deletes a contingent rider for a bill that did not pass.

Article VIII – Regulatory

<u>Texas Workers' Compensation Commission</u>	<u>2006</u>	<u>2007</u>
E.1.1 Central Administration	\$3,786,690	\$3,807,374
E.1.4. Other Support Services	\$1,165,847	\$1,251,164

This veto deletes appropriations for administrative services to the Texas Workers' Compensation Commission. The transfer of the functions of the Workers' Compensation Commission to a division within the Texas Department of Insurance is expected to result in significant savings, particularly in the administration of the agency. This veto deletes biennial funding for E.1.1 and 2007 funding for E.1.4. to reflect those savings.

Article IX – General Provisions

~~Sec. 14.37. Contingency Appropriation for Senate Bill 165. Contingent upon the enactment of Senate Bill 165, or similar legislation relating to the regulation of private process servers, by the Seventy-ninth Legislature, Regular Session, the Department of Licensing and Regulation shall be appropriated in Strategy A.1.1, License, Register, and Certify, the amount of \$210,079 in fiscal year 2006 and \$198,079 in fiscal year 2007, and Strategy B.1.3, Resolve Complaints, the amounts of \$112,325 in fiscal year 2006 and \$105,125 in fiscal year 2007 out of General Revenue for the purpose of implementing that Act. Such appropriations are also contingent on the Department of Licensing and Regulation assessing fees sufficient to generate, during the 2006-07 biennium, \$692,048 in excess of: (1) \$14,592,000 (Object Codes 3146, 3147 and 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for 2006 and 2007, and (2) the \$1,954,401 required to be raised in rider 11, Contingent Revenue, above in the Department of Licensing and Regulation's bill pattern. Also, the "Number of Full-time~~

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Equivalent Positions (FTE)" figure indicated above includes 3.5 FTEs in each fiscal year contingent upon the Department of Licensing and Regulation meeting the above revenue target. The Department of Licensing and Regulation, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of board minutes and other information supporting the estimated revenues to be generated for the 2006-07 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes.

This veto deletes a contingent rider for a new program that did not pass.

Sec. 14.38. Contingency Appropriation for a Judicial Salary Increase.

- (a) ~~Contingent on passage of Senate Bill 368 or similar legislation by the Seventy-ninth Legislature relating to compensation of state judges, and the Comptroller of Public Accounts issuing a finding of fact certifying additional revenue collections from fees, fines, and court costs during the 2006-07 biennium that exceed the Comptroller of Public Accounts Biennial Revenue Estimate for these items by at least \$22,596,639 in fiscal year 2006 and \$23,665,289 in fiscal year 2007, the Comptroller of Public Accounts is hereby appropriated an amount estimated to be to \$39,542,928 out of the Judicial Fund No. 573 and \$6,719,000 out of the General Revenue Fund to fund a salary increase described in Subsection (b) of this section and related benefits costs for state judges and other court personnel linked to the salary of state judges in the Government Code, and to fund the creation of new district courts as described in Subsection (k) of this section.~~
- (b) ~~As used in this section, "salary increase" shall mean an increase in annual salary for state judges to begin on September 1, 2005 and September 1, 2006, or on another date, contingent on passage of Senate Bill 368 or similar legislation by the Seventy-ninth Legislature relating to compensation of state judges.~~
- (c) ~~Any increase in employee benefits costs associated with the salary increase as described above shall be paid only out of the appropriations made above in Subsection (a), including \$6,679,000 out of the General Revenue Fund for the purposes of funding the increased costs to the Judicial Retirement System Plan I.~~
- (d) ~~Provisions requiring salaries and benefits to be proportional to the source of funds shall apply to all sums allocated under this section, except as otherwise provided. Each court or agency shall pay the increase in compensation from funds held in the state treasury and from local funds in the same proportion as the employee's regular compensation.~~
- (e) ~~The Comptroller of Public Accounts shall promulgate rules and regulations as necessary to administer this section. Funds appropriated in this section shall be allocated to each court or agency, and to the appropriate employee benefit appropriation items, in accordance with such rules and regulations and may be used only for the purpose of providing a salary increase and paying associated employee benefit costs.~~
- (f) ~~This section does not authorize an increase of exempt salary rates above the rates provided in Senate Bill 368 or similar legislation by the Seventy-ninth Legislature relating to compensation of state judges.~~
- (g) ~~Contingent on passage of Senate Bill 368 or similar legislation by the Seventy-ninth Legislature relating to compensation of state judges, the Comptroller shall~~

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- ~~increase appropriations out of the Judicial Fund No. 573 and decrease appropriations out of the General Revenue Fund by \$3,054,000 in fiscal year 2006 and by \$3,665,000 for Strategy D.1.1, District Judges, out of funds appropriated elsewhere in this Act to the Judiciary Section, Comptroller's Department.~~
- (h) ~~Contingent on passage of Senate Bill 368 or similar legislation by the Seventy-ninth Legislature relating to compensation of state judges that redirects payments for salary supplements for local administrative judges from Government Code § 659.0125 to Government Code § 659.012(d), the description for Strategy A.1.4, Local Administrative Judge Supplement in the bill pattern for the Judiciary Section, Comptroller's Department is replaced with the following description: Per Government Code § 659.012(d).~~
 - (i) ~~Included in amounts appropriated above in Subsection (a) is \$20,000 out of the General Revenue Fund for each fiscal year for the purposes of funding \$5,000 salary supplements to additional judges eligible for such supplements under Government Code § 659.012(d).~~
 - (j) ~~Contingent on passage of Senate Bill 368 or similar legislation by the Seventy-ninth Legislature relating to compensation of state judges that increases the state salary supplement paid to certain constitutional county judges under Government Code, 26.006(a) the name and description for Strategy C.1.1, Constitutional County Judge General Revenue Supplement in the bill pattern for the Judiciary Section, Comptroller's Department is replaced with the following name and description: Constitutional County Judge General Revenue and Judicial Fund No. 573 Supplement: Salary supplement per Gov. Code 26.006. Estimated.~~
 - (k) ~~Contingent on passage of Senate Bill 368 or similar legislation by the Seventy-ninth Legislature relating to compensation of state judges and contingent on passage of Senate Bill 1189 or similar legislation by the Seventy-ninth Legislature, Regular Session, included in amounts appropriated above in Section (a) is an amount estimated to be \$475,125 in fiscal year 2006 and estimated to be \$932,775 in fiscal year 2007 out of the Judicial Fund No. 573 to the Judiciary Section, Comptroller's Department for additional district courts created effective on or after September 1, 2005. Also contingent on passage of Senate Bill 1189 or similar legislation the "Number of Full Time Equivalent Positions (FTE)" for the Judiciary Section, Comptroller's Department is hereby increased by 5.0 FTEs in fiscal year 2006 and 12.0 FTEs in fiscal year 2007 for the new district courts (estimated to be 12.0 FTEs).~~

This veto deletes a contingent rider for a judicial salary increase which did not pass.

Sec. 14.42. Contingency for Senate Bill 696. ~~Contingent on the enactment of Senate Bill 696 by the Seventy-ninth Legislature, Regular Session, or similar legislation relating to the testing and examination fee requirements for certain provisional license holders, the Department of Public Safety is appropriated an amount not to exceed \$131,836 in fiscal year 2006 and \$125,722 in fiscal year 2007 in Strategy B.1.1, Driver License and Records, from the General Revenue Fund. In no event shall the amount appropriated by this provision exceed the amount of additional revenue generated pursuant to Senate Bill 696.~~

This veto deletes a contingent rider for a new program that did not pass.

Sec. 14.44. Contingency Appropriation for Senate Bill 785: Regulation of Quarries. ~~In addition to amounts appropriated elsewhere in this Act and contingent upon passage of Senate Bill 785, or similar legislation requiring quarries to obtain permits from the Texas~~

~~Commission on Environmental Quality (TCEQ), there is hereby appropriated to the TCEQ out of the Clean Air Account No. 151 an amount not to exceed \$250,000 in fiscal year 2006 and \$220,471 in fiscal year 2007 in fee revenues from quarry permit fees. These funds shall be used to administer the quarry permitting program established through the legislation.~~

This veto deletes a contingent rider for a new program that did not pass.

~~Sec. 14.46. Contingency Appropriation for Senate Bill 1143. Contingent upon the enactment of Senate Bill 1143, or similar legislation relating to a loan secured by personal property with limited recourse against the borrower, by the Seventy-ninth Legislature, Regular Session, the Office of Consumer Credit Commissioner shall be appropriated in Strategy B.1.1, Examination and Enforcement, the amounts of \$180,500 in fiscal year 2006 and \$170,500 in fiscal year 2007 and in Strategy B.2.1, Licensing Investigation, the amounts of \$27,000 in fiscal year 2006 and \$27,000 in fiscal year 2007 out of General Revenue in the Office of Consumer Credit Commissioner's bill pattern for the purpose of regulating limited recourse secured loan lenders. Such appropriations are also contingent on the Office of Consumer Credit Commissioner assessing fees sufficient to generate, during the 2006-07 biennium, \$483,812 in excess of: (1) \$6,792,000 (Object Codes 3172, 3174, and 3175), contained in the Comptroller of Public Accounts' Biennial Revenue Estimate for fiscal years 2006 and 2007, and (2) the \$454,462 required to be raised in Rider 5, Contingent Revenue, above in the Office of Consumer Credit Commissioner's bill pattern. The Office of Consumer Credit Commissioner, upon completion of necessary actions to assess or increase such additional fees, shall furnish copies of board minutes and other information supporting the estimated revenues to be generated for the 2006-07 biennium under the revised fee structure to the Comptroller of Public Accounts. If the Comptroller finds the information sufficient to support the projection of increased revenues, a finding of fact to that effect shall be issued and the contingent appropriation shall be made available for the intended purposes. In no event shall the amount expended by this provision exceed the amount of additional revenue generated pursuant to Senate Bill 1143.~~

This veto deletes a contingent rider for a bill that did not pass.

~~Sec. 14.47. Contingency for Senate Bill 1239. Contingent on the passage of Senate Bill 1239 or similar legislation relating to a risk assessment program for Type 2 diabetes and the creation of the Type 2 Diabetes Risk Assessment Program Advisory Committee, by the Seventy-ninth Legislature, Regular Session, the appropriation made above for the University of Texas at Pan American in Strategy C.2.6, Texas/Mexico Border Health, is transferred to the Department of State Health Services in Strategy A.3.1, Cardiovascular Disease, Diabetes and Injury Prevention, in the amount of \$290,938 in General Revenue in each fiscal year of the 2006-07 biennium for the purpose of implementing the provisions of the legislation.~~

This veto deletes a contingent rider for a new program that did not pass.

~~Sec. 14.50. Contingency Appropriation for Senate Bill 1581. Contingent upon enactment of Senate Bill 1581, or similar legislation relating to the creation of a state pharmacy assistance program by the Seventy-ninth Legislature, Regular Session, and contingent upon receiving the necessary designation for a state pharmacy assistance program for individuals receiving community mental health services, the Department of State Health Services' appropriation is reduced by \$15,971,248 for the biennium in General Revenue. Contingent upon enactment of Senate Bill 1581 and contingent upon receiving the necessary designation for a state pharmacy assistance program for individuals receiving Primary Health Care services, the Department of State Health Services' appropriation is~~

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~~reduced by \$192,356 for the biennium in General Revenue. Contingent upon enactment of Senate Bill 1581 and the designation of a state pharmacy assistance program, the Health and Human Services Commission is appropriated \$4,300,000 for the biennium in General Revenue to implement the provisions of the legislation. The Comptroller of Public Accounts shall not implement the reductions or increases to appropriations authorized under this provision until the Health and Human Services Commission certifies to the Legislative Budget Board, Governor, and the Comptroller of Public Accounts that such designation is secured.~~

This veto deletes a contingent rider for a new program that did not pass.

~~Sec. 14.51. Contingency Appropriation for Senate Bill 1667: Transfer of Radioactive Waste Regulation. Contingent upon passage of Senate Bill 1667, or similar legislation relating to the transfer of radioactive waste regulation from the Department of State Health Services to the Texas Commission on Environmental Quality (TCEQ), or similar legislation by the Seventy-ninth Legislature, Regular Session, all powers, duties, obligations, rights, contracts, records, property, equipment, personnel, and funds appropriated to the Department of State Health Services (DSHS) for the regulation of the commercial storage and processing and the disposal of radioactive waste, except those related to the regulation of oil and gas naturally occurring radioactive material (NORM) waste, are hereby transferred to the TCEQ, including \$447,608 out of the General Revenue Fund in each fiscal year of the biennium and 8 Full-Time Equivalents (FTE). The TCEQ shall use this appropriation to regulate radioactive waste pursuant to Health and Safety Code, Chapter 401.~~

~~In addition, there is hereby appropriated to the TCEQ fee revenues deposited to the credit of the General Revenue Account No. 0001, Object Code 3589, pursuant to the passage of legislation, \$1,181,156 in fiscal year 2006 and \$1,064,656 in fiscal year 2007. The "Number of Full-Time Equivalents (FTE)" figure for the TCEQ indicated herein is hereby increased by 8 for each fiscal year of the biennium beginning September 1, 2005.~~

~~The Legislative Budget Board is hereby authorized to resolve any disputes concerning the transfer of appropriations and FTEs from the DSHS to the TCEQ.~~

This veto deletes a contingent rider for a bill that did not pass.

~~Sec. 14.56. Debt Collections. Contingent upon the enactment of House Bill 2233, or similar legislation by the Seventy-ninth Legislature, Regular Session, and to the extent that an agency contracts with one or more persons to collect delinquent or past due obligations in accordance with Section 2107.003, Government Code, as amended, all sums necessary to pay any contract costs to the person or persons under contract and any court costs collected to the court entitled to the court costs are hereby appropriated to the agency from the collection proceeds. The balance of the proceeds shall be transferred to the General Revenue Fund or to any dedicated or special funds or accounts to which the collection proceeds may belong and are not appropriated for use by the agency.~~

This veto deletes a contingent rider for a bill that did not pass.

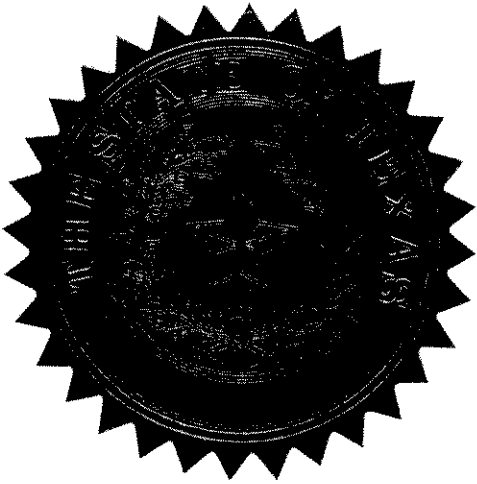
~~Sec. 14.61. Contingency for House Bill 2329. Contingent upon enactment of House Bill 2329 or similar legislation relating to authorization for issuance of tuition revenue bonds, there is hereby appropriated \$108,000,000 in general revenue for the 2006-07 biennium for the purpose of paying debt service on the bonds authorized in the legislation. The debt service appropriations shall be transferred to affected institutions of higher education based on a plan developed by the Higher Education Coordinating Board and approved by the Legislative Budget Board.~~

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
_____ O'CLOCK

JUN 18 2005

This veto deletes a contingent rider for the Tuition Revenue Bond bill which did not pass.

I have signed Senate Bill No. 1 together with this proclamation stating my objections to individual items of appropriation therein. In accordance with Article IV, Section 14 of the Texas Constitution, individual items of appropriation objected to shall be of no force or effect. The remaining portions of the bill shall be effective according to their terms. Since the Legislature by its adjournment has prevented the return of this bill, I am filing this bill and these objections in the office of the Secretary of State and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I
have signed my name officially
and caused the Seal of the State
to be affixed hereto at Austin,
this 18th day of June, 2005.

Rick Perry

RICK PERRY
Governor of Texas

ATTESTED BY:

Roger Williams

ROGER WILLIAMS
Secretary of State

June 18, 2005
Austin, Texas

FILED IN THE OFFICE OF THE
SECRETARY OF STATE

O'CLOCK

JUN 18 2005